



# BUDGET MESSAGE

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## City Administrator's Budget Message

### INTRODUCTION

#### Executive Summary



In accordance with the City Charter, I am pleased to present the recommended budget for fiscal year 2011. We have once again developed a one-year budget rather than the traditional *two-year* financial plan due to the continued uncertainty created by the current economic crisis.

The nation is still suffering through the long-term effects of the worst recession since the Great Depression. The City first observed the impacts to its key tax revenues in 2008 as transient occupancy and sales tax revenues

declined for the first time since the recession of 2002. Consequently, a total of \$10.8 million in adjustments were included in the fiscal year 2010 budget to offset both revenue declines and increasing costs in the General Fund. Unfortunately, revenues have continued their decline beyond those built into the adopted budget.

As we advised the City Council in February, our preliminary estimate of the budget shortfall for fiscal year 2011 totaled approximately \$8.9 million. In order to address this shortfall, the proposed budget includes \$6.3 million in spending reductions and revenue enhancements. The proposed reductions include the elimination of 41.1 full-time equivalent (FTE) positions. These employee reductions are in addition to the 37.09 FTE's that were eliminated in Fiscal Year 2010. This represents an overall reduction of 11% of General Fund employees in two years.

We expect the remaining shortfall of \$2.6 million will be made up through wage and benefit reductions we hope to achieve through negotiations with the City's labor unions. Should we be unable to reach agreements with the labor unions, we have provided additional budget reduction options for Council consideration. For the most part, these cuts would require the elimination of currently filled positions.



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### Financial Highlights

The fiscal year 2011 recommended budget is comprised of all City funds, including the General Fund, special revenue funds, enterprise funds and internal service funds. Each fund accounts for distinct and uniquely funded operations. The recommended budget includes a total combined operating budget of \$248.5 million and a combined capital budget totaling \$24.8 million. The recommended budget is summarized in the table below by fund type.

The General Fund, the primary and largest individual fund in the City, is comprised of six operating and three administrative departments. The recommended

City of Santa Barbara Summary of Fiscal Year 2011 Recommended Budget by Fund Type				
	Operating Budget	Capital Program	Total	% of Total
<b>General Fund</b>	\$ 101,883,001	\$ 758,170	\$ 102,641,171	37.6%
<b>Special Revenue Funds</b>	34,601,803	10,749,376	45,351,179	16.6%
<b>Enterprise Funds</b>	95,683,076	11,530,202	107,213,278	39.2%
<b>Internal Service Funds</b>	16,345,064	1,730,769	18,075,833	6.6%
	<u>\$ 248,512,944</u>	<u>\$ 24,768,517</u>	<u>\$ 273,281,461</u>	<u>100.0%</u>

General Fund operating budget totals \$101.9 million and includes an additional \$758,170 million for capital expenditures.

Special revenue funds account for restricted revenues and have a combined recommended operating budget of \$34.6 million and a combined capital budget of \$10.7 million. This category of funds includes the Redevelopment Agency, which is a separate legal entity created to eliminate blight and provide low and moderate income housing in the community.

Enterprise funds, on a combined basis, make up approximately one-third of the City budget. They consist of six distinct operations funded from user fees and charges. Enterprise operations are managed and operated much like private sector businesses. They require a significant investment in plant, equipment, and infrastructure to deliver services. Their operating budgets total \$95.7 million, and have a recommended capital budget of \$11.5 million.

Internal service funds provide services exclusively to other city operations, including building maintenance, information systems, vehicle maintenance and replacement, and insurance. Their recommended budget includes an operating budget of approximately \$16.3 million and a \$1.7 million capital program budget.



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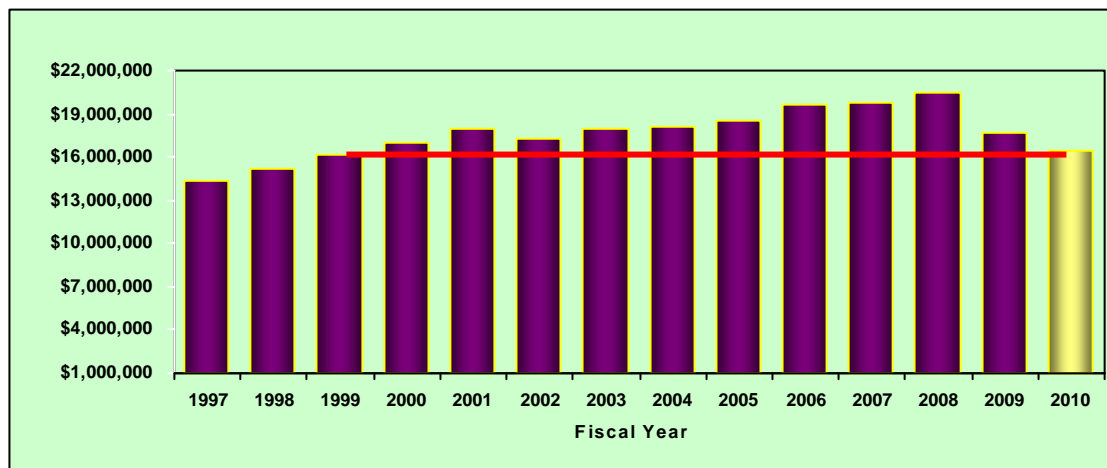
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### DEFINING THE PROBLEM

#### Economic Perspective of General Fund Revenues

While there are some signs indicating that the economy is recovering, the impacts on City operations of what has been termed the "Great Recession," will be felt for many years. The recession has lowered baseline revenues that will be available to fund General Fund programs and services, including public safety, library, recreation, parks, building, planning, and general administration.

One of the most dramatic impacts of the recession has been the decline in retail sales tax revenues. The chart below presents a fourteen-year summary of sales tax revenues. After generally positive growth from 1997 through 2008, sales tax revenues fell by 10.6% in fiscal year 2009. This was the single largest decline of any General Fund tax revenue going back as far as records are available. In the current fiscal year, we expect sales taxes will fall an *additional* 6.5%. As indicated by the red line in the chart, General Fund sales tax revenues lost eleven years of growth in just two years.



Sales Tax Revenues  
Fourteen Year Summary

While sales tax revenues have declined the most, virtually all General Fund revenues have been impacted by the economic downturn. The table below summarizes total General Fund revenues for fiscal years 2009, 2010 and 2011, including the cumulative change during that period.



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In fiscal year 2010, budgeted revenues were lowered by \$4.8 million in comparison to the prior year. Due to the continued deterioration of the economy, total fiscal year 2010 General Fund revenues are now estimated at \$99.2 million, an additional decline of \$5.4 million.

In the fiscal year 2011 recommended budget, revenues are expected to be essentially level at \$99.8 million. However, in just three fiscal years, the overall decline of General Fund revenues totals nearly \$9.7 million.

	FY 2009 Adopted	FY 2010 Adopted	FY 2010 Estimated	FY 2011 Recomm'd	Cumulative Change
Sales Taxes	\$ 20,759,000	\$ 18,142,000	\$ 16,414,000	\$ 16,414,000	\$ (4,345,000)
Property Taxes	23,306,000	23,860,000	23,030,000	22,790,000	(516,000)
Transient Occupancy Tax	13,334,000	12,027,000	11,157,000	11,157,000	(2,177,000)
Utility Users' Tax	6,966,000	7,242,000	6,952,000	7,040,000	74,000
Franchise Fees	2,995,400	2,976,000	3,348,000	3,266,000	270,600
All Other	42,058,360	40,350,127	38,281,706	39,091,561	(2,966,799)
	<u>\$ 109,418,760</u>	<u>\$ 104,597,127</u>	<u>\$ 99,182,706</u>	<u>\$ 99,758,561</u>	<u>\$ (9,660,199)</u>

## Other Factors Contributing to Budget Shortfall

Although declining revenues were a key factor in creating the City's budget shortfall, two other factors contribute to the problem: increasing labor costs and the one-time measures implemented in fiscal year 2010 that do not carry over into fiscal year 2011.

With respect to labor costs, the City entered into contracts with several of our employee unions before the severity of the economic recession became apparent. These multi-year agreements include increases to wages and benefits in fiscal years 2010 and 2011. The impact of these scheduled wage and benefit increases total \$2.3 million in fiscal year 2011.

In balancing the fiscal year 2010 budget, one-time measures totaling \$3.3 million were included to minimize impacts on services and to avoid employee layoffs. While these measures, such as unpaid furloughs, were helpful in minimizing cuts to services and staff, they were one-year solutions only. New measures will need to be implemented in fiscal year 2011 to replace these one time adjustments in order to address the overall budget shortfall.

## Other City Services Impacted by the Economic Downturn

In addition to the services funded in the General Fund, the City also provides *other* important services. These services are accounted for in separate enterprise funds, special revenue



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funds, and internal service funds. These services have also been affected to varying degrees by the declining economy.

For example, the City's municipal golf course saw the number of golf rounds decline by 6% in fiscal year 2009. In fiscal year 2010, in large part due to major construction on the course, golf rounds are down close to 20%. At the Airport, passenger counts dropped by 8% in fiscal year 2009. Through the first half of fiscal year 2010, passenger counts are down an additional 9.8%. The Waterfront Fund, which accounts for the services provided along the waterfront, including Stearns Wharf and the harbor, experienced some loss of revenues in 2009. However, fiscal year 2010 revenues have remained steady. Similarly, the Downtown Parking Fund, which accounts for the operation and maintenance of the City's public parking facilities, has likewise seen a normalizing of revenues. The City's two utility operations, Water and Wastewater, have not seen declines in revenues due to the current economic downturn.

Internal service funds are used to account for services provided by one department to other City departments. Examples include motor pool, building maintenance, information systems, and risk management. These operations are financed through charges levied on operating departments of the City. While not directly impacted by the economic crisis, all internal service funds' budgets include proposed reductions, which translate to reduce charges to all City funds, including the General Fund.



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### BALANCING STRATEGY

#### General Fund Still Unbalanced

Early in fiscal year 2010, staff calculated a preliminary budget gap of \$8.9 million for fiscal year 2011. Over the ensuing months, staff has identified new funding sources, refined revenue and budget estimates, and proposed reduced funding to community organizations (see accompanying table). These steps have reduced the budget gap by approximately \$1.1 million.

In addition to these steps, we are recommending \$5.2 million in departmental budget adjustments to offset the estimated \$8.9 million budget gap. These adjustments include over

Summary of Balancing Strategy GENERAL FUND			
Originally Identified Budget Gap			\$ (8,924,244)
Newly Identified Funding Sources			
Reduction to Self-Insurance Charges	\$ 519,153		
Shift of Solid Waste Franchise Fees	<u>440,000</u>	959,153	
Refinement to Budgeted Estimates			(185,212)
Reduced Funding to Community Organizations			367,618
Department Budget Measures			
Revenue Enhancements	993,700		
Spending Cuts	<u>4,208,171</u>	<u>5,201,871</u>	
Remaining Budget Gap			<u>\$ (2,580,814)</u>

\$4.2 million in departmental reductions, which will result in the elimination of 41.1 positions, most of which are vacant. They also include approximately \$1 million of revenue enhancements.

It is important to note that the departmental reductions are in addition to the cuts that were implemented in order to balance the FY 2010 budget. The cumulative impacts will further affect the level of services

provided to the community, including the closure of the Central and Eastside Libraries on Mondays, continued closure of four park restrooms and the elimination of seven vacant sworn police officer positions

A summary of budget adjustments by departments, including the number of full-time equivalent (FTE) positions eliminated, is presented in the table below. These adjustments are itemized in Attachment 1 to this transmittal letter, and the impacts to department operations are noted in each department budget summary.



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Summary of Budget Adjustments by Department				
Department	Expenditure Cuts	Increased Revenues	Net Savings	No. of FTE's Eliminated
Administrative Services	\$ 205,244	\$ -	\$ 205,244	2.00
CAO/Mayor & Council	299,009	47,133	346,142	2.00
City Attorney	223,412	-	223,412	1.10
Community Development	429,854	158,288	588,142	4.00
Finance	47,171	75,000	122,171	0.50
Fire	527,383	100,000	627,383	4.00
Library	354,440	-	354,440	3.80
Parks & Recreation	634,603	8,779	643,382	5.70
Police	1,410,127	-	1,410,127	11.00
Public Works	76,928	604,500	681,428	2.00
<b>TOTAL GENERAL FUND</b>	<b>4,208,171</b>	<b>993,700</b>	<b>5,201,871</b>	<b>36.10</b>
Internal Service Funds	459,961	-	459,961	5.00
<b>GRAND TOTAL</b>	<b>\$ 4,668,132</b>	<b>\$ 993,700</b>	<b>\$ 5,661,832</b>	<b>41.10</b>

The combination of newly identified funding sources and departmental budget adjustments included in the recommended budget total \$6.3 million. This leaves a remaining gap of \$2.6 million.

### Labor Concessions Critical to Solving Remaining Budget Gap

One of the major elements creating the deficit in the General Fund is the increasing cost of employee salaries and benefits. Therefore, one of the keys to our balancing strategy is to work with labor groups to achieve wage and benefit concessions that can mitigate staff and service reductions. Our goal is to generate sufficient savings from labor concessions to close the remaining \$2.6 million budget gap and to allow the restoration of other positions and services proposed for reduction in the recommended budget.

To date, the Supervisors Employees Bargaining Unit has agreed to forgo scheduled pay increases, accept a pay reduction, and other benefit cuts that will result in an overall reduction to their compensation totaling 10%. We have also eliminated a scheduled salary increase for all unrepresented managers, and will implement additional reductions in management compensation consistent with all other labor groups. Discussions with other labor groups have been productive and we are hopeful they will also work with us to minimize staffing and service reductions.



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While we expect that significant labor concessions will be achieved, we also must be prepared in case we are unsuccessful. As a result, we have developed a list of additional budget reduction options that are sufficient to address the remaining \$2.6 million budget gap. The list of additional budget adjustments includes the elimination of an additional 17.5 FTE's, most of which are currently filled. These additional budget options, including their potential impacts on services, are itemized in Attachment 2.

### Capital Program Funding Still Falls Short of Needs

The recently completed Six-Year Capital Improvement Program identified \$8.3 million in capital needs over the next two years that need to be funded by the General Fund. However, the fiscal year 2011 recommended budget includes just \$508,170 for the General Fund capital program. In this current fiscal year 2010, only \$573,170 was spent for capital due to the deterioration of General Fund revenues caused by the recession. Note that this does *not* include capital spending included in the Enterprise Funds, such as the Airport, Water, Wastewater, Waterfront, and Downtown Parking Funds, which totals \$11.5 million.

In years past, when General Fund revenues were growing strong, sufficient reserves were generated and accumulated to fund a healthy capital program each year. For example, in fiscal year 2001 the General Fund had \$5.4 million in reserves above policy requirements and funded a \$2.6 million capital program. More recently, the capital programs of fiscal years 2007 and 2008 averaged approximately \$1.8 million per year.

Among the capital projects that we have deferred in fiscal year 2011 is the replacement of the City's aging Financial Management System, rehabilitation of several park facilities, and general repairs to several City buildings and facilities.

Deferring capital improvements and maintenance of City facilities generally results in increased costs in the future and adds to the existing backlog of projects that may take years to catch up with. Over the next several years, as revenues grow, it will be critical that the City restore capital funding back to appropriate levels in order to preserve important capital assets into the future.

### Reductions Proposed to Outside Organizations

In addition to reductions to departmental operations, the recommended budget includes significant cuts to many important community organizations that sponsor events in the community, provide important services, or encourage tourism and conventions.





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The funding cuts to community promotions organizations will save the General Fund \$367,618. The table below summarizes the proposed funding for each affected organization. Please note that while we are proposing the elimination of the 4<sup>th</sup> of July Parade, funding for the annual fireworks show is maintained in the Waterfront budget and is not recommended for cancellation.

GENERAL FUND Summary of Proposed Funding Cuts to Community Organizations				
Organization	FY 2010 Funding	Proposed Cuts	FY 2011 Proposed	% Reduction
County Arts Commission	\$ 485,523	\$ (58,263)	\$ 427,260	12.0%
Santa Barbara CVB	1,499,483	(149,948)	1,349,535	10.0%
4th of July Symphony	13,740	(1,649)	12,091	12.0%
Old Spanish Days	82,440	(8,244)	74,196	10.0%
Semana Nautica	2,915	(2,915)	-	100.0%
Spirit of '76 Parade	11,450	(11,450)	-	100.0%
Summer Solstice	42,057	(4,206)	37,851	10.0%
Santa Barbara Channels	346,942	(115,647)	231,295	33.3%
SB Film Festival	54,960	(5,496)	49,464	10.0%
Visitor's Information Center	54,495	(5,450)	49,045	10.0%
New Beginnings	43,500	(4,350)	39,150	10.0%
<b>TOTAL</b>	<b>\$ 2,637,505</b>	<b>\$ (367,618)</b>	<b>\$ 2,269,887</b>	<b>13.9%</b>

These organizations provide worthwhile events, services and programs for the community. However, in the context of the major declines in General Fund revenues, we believe these reductions are appropriate in order to minimize further reductions to core City services such as fire, police, libraries, and parks.

## ENTERPRISE FUNDS

The City has seven distinct operations that are referred to as enterprise funds. These operations are primarily funded from user charges or restricted grant funding. In most cases, the revenues in the funds are restricted by law or contract to the purposes for which they are collected.



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Each of these funds has been affected to varying degrees by the recession of the past two years. However, each has also made considerable progress in improving the services provided to the public.

### Airport Fund

A major impact of the economic crisis has been the significant decline of air travel across the nation. In Santa Barbara, the number of passengers has declined markedly since late 2008. In this current fiscal year, passenger counts are expected to fall by 8.5%, the largest declines since fiscal year 2002 following the terrorist attacks in New York. These declines have a corresponding impact on those revenues driven by passenger volumes, such as parking, concessions, and rental car receipts.

In fiscal year 2011, most Airport revenues are expected to remain stable with little to no growth. However, construction of the new airline terminal will triple the square footage of airline space. As a result, terminal aviation revenues are expected to increase by approximately \$500,000, from \$2.1 million to \$2.6 million, as airlines will pay more for the added space they will be provided. These revenues will be partially offset by increased building costs, such as custodial services and utilities.

### Golf Fund

The Golf Fund has been affected the most of all enterprise operations by the recession. Over the last ten years, the number of rounds has steadily declined, consistent with national trends. However, the current recession has had a more dramatic impact on play on the course. Raising greens fees each year has helped minimize the loss of revenues, but it may also be contributing to the reduction in rounds played.

In addition to impacts from the recession, the Golf Course underwent major capital improvements during fiscal year 2010 to improve course utilization and water quality. During the construction period, the number of rounds played declined by approximately 20%. Fortunately, the improvements have added a number of features and visual elements that have improved the look and playability of the course. It is expected that these improvements will draw more players to the course and bring back those who left due to the construction.

While the fiscal year 2011 recommended budget includes increases to greens fees, staff has initiated a comprehensive analysis that considers trends and pricing to identify a more considered strategy to increase the level of play. Staff will be working with the Golf Advisory Committee and Parks and Recreation Commission to finalize the strategy prior to budget adoption in June.



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### Downtown Parking Fund

The Downtown Parking Fund is responsible for the maintenance and operation of nine surface parking lots and five parking structures. In fiscal year 2010, due to very conservative revenue estimates which accounted for the recession, Downtown Parking revenues met budget projections. For fiscal year 2011, revenues are estimated to remain essentially flat.

Fiscal year 2011 expenditures reflect the savings from the phase out of the My Ride and Employee Bus Programs that began in fiscal year 2009. Next fiscal year, the program will consist only of free bus passes to City employees, which will save approximately \$250,000. The fiscal year 2011 budget also reflects savings of \$100,000 in costs for electricity as a result of recent work completed to improve the energy efficiency of a number of parking structures.

In fiscal year 2010 the City implemented a pilot program in conjunction with the Downtown Organization to provide for additional police resources in the downtown area and parking facilities. This program was pursuant to the recommendations from the City Council subcommittee on Homelessness and Community Relations. The program provides for a 50% match of funds provided by the Downtown Organization to employ part time police officers to patrol these areas. This program has been successful and will continue into fiscal year 2011 at the same level of funding.

### Water Fund

The Water Fund provides water to City residents and businesses and is funded from service charges that are generally not directly impacted by economic downturns. Water revenues are primarily affected by weather conditions and voluntary conservation efforts. In fiscal year 2010, consumption will likely be below long-term averages due to awareness of the state-wide drought and increased conservation, and higher than normal levels of precipitation.

For fiscal year 2011, Water Fund operating expenses totaling \$31.4 million plus a capital program of \$3.3 million are fully balanced with operating revenues totaling \$34.8 million. Operating expenses are budgeted slightly below fiscal year 2010 budgeted expenses of \$29.8 million. However, the costs for water treatment will continue to be elevated over historic rates by \$1.4 million due to water quality impacts caused by the 2007 Zaca Fire.

The proposed budget reflects a proposed 3.5% increase to all water rates. This increase is part of the long-term rate strategy to support the Water Fund's extensive capital improvement needs. The rate increase would add approximately \$1 million; however, continued declines in water usage are expected to reduce revenues by over \$400,000. In total, revenues for fiscal



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year 2011 of \$34.9 million are expected to be \$630,488 higher than fiscal year 2010 adopted revenues.

The recommended capital program for fiscal year 2011 totals \$3.3 million. This does not include projects that we expect will be funded by the State Revolving Fund (SRF) Loan Program. We anticipate receiving a loan totaling \$29.92 million within the next several months. The loan will fund design and construction for two major projects: the Cater Advanced Treatment Project and the Ortega Groundwater Treatment Plant Rehabilitation Project. If approved, interest of \$505,058 will be paid on the loan during the construction period. Once the projects are completed, the fully amortized debt service payment is estimated at \$1.9 million per year.

### Wastewater Fund

The Wastewater Fund depends on revenues that are tied to water service rates. Because of caps contained in the rates, these revenues have less variability than water revenues, which are impacted by changes in weather conditions.

The recommended budget for fiscal year 2011 includes almost \$15 million in estimated revenues, which reflect a 4% increase to wastewater rates. The rate increases are estimated to generate \$556,482 in revenues from service charges above fiscal year 2010 and will help support the Wastewater Fund's large capital program in fiscal year 2011.

Operating expenses are budgeted at \$13.2 million, slightly above the \$13.1 million operating budget adopted for fiscal year 2010. Operating expenses include the continuation of the successful Sewer Lateral Rebate Program, budgeted again at \$700,000. However, the cost of the program is not supported by current revenues and will need to be evaluated in order to ensure the long term viability of the program.

The proposed fiscal year 2011 capital program totals \$4.3 million. It will be funded from \$1.8 million of operating revenues and \$2.5 million of reserves. The capital program includes the Headworks Screening Project estimated at \$3 million. This project will replace the antiquated grinding, screening, rag removal, and dewatering systems with an integrated modernized system.

### Waterfront Fund

The Waterfront Fund relies on revenues generated from parking fees, commercial leases and slip fees. While certain revenues have stabilized, others are being impacted by the effects of the economic downturn. Additionally, the department is embarking on major repairs to Marina



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1, which will create additional debt service costs to repay loans from the Department of Boating and Waterways.

The proposed operating budget for fiscal year 2011 totals \$10.9 million. Estimated operating revenue total \$11.75 million, leaving an operating surplus of \$807,689 that will fund part of the \$2,555,000 capital program. The remaining portion of the capital program of \$1,747,311 will be funded capital reserves totaling \$447,311, a \$1,200,000 loan and a \$100,000 from a grant from the Department of Boating and Waterways.

A 4% increase to slip fees is proposed for fiscal year 2011, as well as a new slip rate category for 60-foot and larger slips and end ties. In addition, slip transfer fees will increase \$25 per foot, except for 20-foot slips. These rate increases are expected to generate \$187,000 in additional revenues. However, they will be more than offset by a projected decline in revenues from leases. Revenues from leases with restaurants are expected to fall by \$220,029 (9%) in fiscal year 2011. Similarly, revenues from commercial leases are estimated to drop by over \$100,000 (7.4%).

### Solid Waste Fund

The Solid Waste Fund's recommended budget for fiscal year 2011 will rely on the one-time use of reserves totaling \$534,222 to offset revenue losses totaling \$1.1 million. The balance of revenue losses have been offset by reductions to budgeted expenditures for supplies, services and programs.

One of the most notable changes to the Solid Waste Fund relates to recycling revenues. In fiscal year 2010, revenues from the sale of collected recyclables will total \$871,000. However, due to major declines in the value of recyclables worldwide, the City will incur an estimated loss of \$37,000 in fiscal year 2011. Fortunately, we are now seeing a recovery in the recyclables market, and expect revenues to increase and normalize within the next several years.

Another notable change in the proposed budget is the shift of franchise fees from the haulers to the General Fund. Franchise fees are unrestricted revenues designed to reimburse the City for the use of the public right-of-way. All other franchise fees, including those relating to cable television, electric and natural gas franchises are accounted for in the General Fund. This shift of refuse franchise fees estimated at \$440,000 was identified as a measure to help address the budget shortfalls faced by the General Fund and was implemented late in fiscal year 2010.

Solid waste fees are proposed to be increased effective July 2010 by 2.9%. The increase includes a 1.4% increase to reimburse haulers approximately \$210,160 for the planned \$4 per



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ton increase in tipping fees charged at the County's Tajiguas Landfill, and an adjustment of 1.48%, per the City's franchise agreements with the haulers, for a "cost of living" increase based on the change in the Consumer Price Index.

## CHALLENGES AND ACCOMPLISHMENTS

Despite the serious economic times we face, it is important to recognize that most parts of the City organization continue to provide excellent services to our community and are making progress in a variety of different areas. These areas include improving our environment, moving the Plan Santa Barbara General Plan update to completion, addressing the complex issues of youth violence and homelessness, and investing in the City's aging infrastructure.

### Improving our Environment

Implementing programs for the benefit of the environment is not just environmentally sound, but is becoming financially sound as well. Some examples of what the City is doing to become more environmentally responsible while generating savings are discussed below.

#### Increasing Energy Efficiency of City Facilities

The City continues to look for opportunities to retrofit its own electrical systems and generate renewable energy in connection with new building constructions or renovations. As an example, the recently completed Fire Station Renovation Project included solar panels and green building materials, which resulted in being recognized with the prestigious Leadership in Energy and Environmental Design (LEED) gold certification. Two other facilities that received LEED certifications are the Airport's new Rental Car "Quick Turnaround" Facility, which also received gold certification; and a LEED platinum certification for the remodel of the Community Development and Public Works building at 630 Garden Street. This building is just one of six buildings *in the world* achieving platinum status for an existing building. At that facility, lighting was upgraded to energy efficient systems, and the heating, air and ventilation systems were upgraded to allow outside air to cool the building. These improvements are projected to save \$81,000 in electric charges per year.

#### Implementation of Foodscrap Recovery Program

On November 1, 2009, the City implemented a business foodscrap recovery and composting program, one of just a handful in the State. Foodscrap are collected at local businesses,



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primarily restaurants, and are sent to a composting facility in north Santa Barbara County where they are turned into compost that is sold and used throughout the central coast in agricultural applications. By participating in the program, businesses are helping to reduce the impacts of organic material in the local landfill; but equally important, businesses are saving money. Since the program's implementation in November, local businesses participating in the program have saved more than \$120,000.

### City Launches "Where's Your Bag?" Campaign

Plastic bags also have large scale impacts, particularly to the marine environment. Due to their fly-away tendencies, many plastic bags wind up on beaches and creeks, and ultimately in the ocean. Paper bags also have environmental impacts given the amount of energy consumed to produce them.

The City joined forces with the Santa Barbara Channelkeeper, Choose to Reuse, and the California Grocer's Association to implement the "Where's Your Bag?" Campaign. The campaign consists of public education materials, free reusable bag give-aways, and partnering with local businesses to promote the use of reusable bags through rewards and other incentives.

## Long-Term Planning

The most important planning effort in progress is the update to the City's General Plan, known as Plan Santa Barbara. In the year ahead, the City will determine the balance required between housing, open space, and transportation policies to best meet the community needs now and into the future. The effort focuses on five key policy drivers: growth management, historic and community character, policy and community health, energy and climate change, and economic and fiscal health. The Plan Santa Barbara effort is extremely important as it will shape how the City deals with its existing open spaces, historic heritage, building design standards, and architecture.

## Youth Violence

The Police Department has estimated that there are about 160 hard-core gang members in Santa Barbara. Another 750 young people are affiliated with, or are at high risk of, joining a gang.



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Last September, the City's Police Department coordinated with multiple state and federal law enforcement agencies to simultaneously descend on seven different locations to conduct searches and serve arrest warrants to individuals tied to criminal street gangs. The operation resulted in 12 arrests for trafficking illegal firearms and narcotics, the removal of dangerous weapons, and diminished the flow of illegal drugs from the streets of Santa Barbara.

In addition to enforcement, the City is deeply committed to proven programs that prevent and end youth violence, despite financial constraints. To that end, the City has been coordinating efforts with a multitude of governmental, philanthropic, and non-profit social service agencies that work directly with our most at-risk youth. Our focus is on enforcement and intervention, and also working with parents in the neighborhoods, and with our school district on prevention strategies.

The City's Police Activities League, also known as PAL, has been instrumental in helping at-risk youth through after-school programs, sports and other recreation activities. Participation in these programs has never been higher. The number of kids involved in after-school sports leagues has almost doubled in only two years. Likewise, participation in the City's summer drop-in program has increased by 40% in the same time period.

## Homelessness

A key issue facing the City and the entire community is homelessness. While the County-wide 10-year plan to end chronic homelessness has helped take over 350 chronically homeless people off the streets, the economic downturn has placed many more people at risk. In addition, significant cuts in State and County funding for social services have left some without a safety net. Consequently, the City is working with the County of Santa Barbara and other south coast cities to develop a comprehensive, regional approach. In the interim, the Rescue Mission and a variety of churches throughout the County voluntarily opened warming centers during rainy and cold nights during the winter.

## Investing in City Infrastructure

Despite the lack of funding in the City's General Fund, we are continuing efforts to upgrade aging infrastructure and municipal buildings through the use of restricted revenues, such as those from enterprise funds, federal and state grants and the Redevelopment Agency.





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### Neighborhood Improvements

One of the most visible projects is the replacement of the Haley and De La Vina Street Bridge. The bridge was built in 1915 and must be replaced to meet current standards for vehicle, pedestrian, water flow, and seismic safety. The new bridge will reduce flooding and potential property damage during major storm events.

The West Downtown Neighborhood Improvement Project currently underway will provide better street lighting and sidewalks. The pedestrian improvements along Ortega and Anapamu Streets between Castillo and Chapala Streets are expected to be completed in the summer.

### Beachside Improvements

Two important projects are currently underway along the beach. The first is the West Beach Pedestrian Improvement Project, which will enhance the beach access and pedestrian linkage between Stearns Wharf and the Harbor. The project includes new plaza areas and public art on the sidewalks to create a promenade feel that will enable visitors and residents to easily migrate to and from these two venues.

At the harbor, construction has begun to replace the thirty-year old marinas. The project is being funded by a loan from the State Department of Boating and Waterways, and is starting with Marina One, the largest marina in the harbor. With two docks being replaced each year, the project will take ten years to complete.

### Airport Terminal Expansion

The most significant event in fiscal year 2011 for the Airport will be the substantial completion of the new terminal facility that commenced construction in fiscal year 2010. Santa Barbara's new \$32 million airline terminal will provide larger boarding gate areas, centralized passenger screening, a variety of concessions, improved ground transportation access, boarding bridges, and additional restrooms. The project is primarily funded by grants from the Federal Aviation Agency, airline leases, and passenger facility charges. As with all Airport expenditures, no local tax dollars will be used for the Project.

The new two-story 67,000 square foot terminal is expected to be completed in early 2011 and achieve a LEED silver rating for sustainable building. The Airline Terminal Project will also include construction of a new reconfigured short term parking lot directly in front of the Terminal and a wider, longer loop road with a separate lane for public transportation vehicles. The historic portion of the existing Airline Terminal, which was built in 1942, is scheduled to



# BUDGET MESSAGE

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## City Administrator's Budget Message

open in late 2011 following its relocation adjacent to the new Terminal. The rehabilitated building will provide offices for Airport Patrol and the parking operation.

### Recreational and Cultural Facility Improvements

The historic Carrillo Recreation Center, built in 1913, is undergoing a renovation to improve seismic safety and accessibility to meet ADA requirements. The building is used by 100,000 people each year and its expected completion in December 2010 is much anticipated.

Thanks to a generous private donation from Rose Karat, the main adult section at the Eastside Library was recently renovated. The renovation added new computers, furniture, and other building upgrades. In addition, the City will be partnering with the Junior League at the Central Library on plans to renovate the library basement and building a new children's area. This project is still in design but, once completed, will give a fresh look to one of our oldest facilities.

## CONCLUSION

The development of the fiscal year 2011 budget has been a difficult and complex process. Throughout, three interrelated goals have been foremost:

- Maintain the City's financial integrity;
- Minimize cuts to critical services to the community; and
- Minimize layoffs to existing employees.

Achieving these goals has been stressful and challenging. Due to the severity of the economic downturn, forecasting revenues with a high degree of certainty has been almost impossible. This has resulted in the need to be conservative on our estimates to avoid future revenue shortfalls.

On the labor relations front, we have been negotiating simultaneously with several different labor associations. Each of these unions has its own organizational culture and is unique. While all of the unions are willing to work with management to help solve the City's fiscal challenges, each also wants to protect their individual members from layoffs and financial hardship.

Despite these challenges, I am very proud of the budget we are recommending to the City Council. It is a conservative financial plan, which will maintain the City's fiscal strength and integrity without using accounting gimmicks or budgetary reserves.



# BUDGET MESSAGE

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## City Administrator's Budget Message

The proposed budget minimizes major service cuts to the community, by spreading cuts throughout the organization and to community groups, taking advantage of employee vacancies, improving efficiency, and judiciously raising fees or shifting costs. While there will certainly be impacts, we believe they are acceptable, considering the difficult financial times we are facing.

And lastly, while the proposed budget does include employee layoffs, they have been minimized through the transfer of affected employees to other positions and a spirit of cooperation between departments. I am confident that more layoffs can be avoided once we complete our negotiations with the employee organizations.

## ACKNOWLEDGEMENTS

The preparation of the proposed budget has been a cooperative process that has involved employees throughout our organization. It required countless hours of study, analysis, and preparation. I especially want to commend the management team of our City for working cooperatively to put together the proposed budget. Their willingness to look at the "big picture" and work in a true spirit of teamwork has made this difficult task easier and has resulted in a much more responsible financial plan.

I also want to acknowledge the excellent work of the City's financial management team, headed by Interim Finance Director Bob Samario. Mr. Samario, along with Treasury Manager Jill Taura, Budget Manager Michael Pease, and Financial Analyst Jonathan Abad all worked late at night and on several weekends to ensure that the budget document was timely and professionally prepared. I appreciate the personal sacrifices they all endured during this hectic period.

And lastly, I also want to recognize members of the City Administrator's Office who also toiled late into the night to complete the proposed budget. This includes Assistant City Administrators Marcelo Lopez and Paul Casey, Labor Relations Manager Kristy Schmidt, Assistant to the City Administrator Nina Johnson, Administrative Analyst Lori Pedersen, and Administrator's Office Supervisor Linda Gunther.

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**Budget Adjustment Measures  
Included in Recommended Budget**

**Fiscal Year 2011**

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## Budget Adjustment Measures Included in Recommended Budget

Fiscal Year 2011

<b>DEPARTMENT: Administrative Services</b>		<b>Employee Positions Affected</b>	<b>Net Cost Savings</b>
1	Eliminate vacant Human Resources Analyst	(1.00)	\$117,830
2	Substantially reduce LEAP employee training	-	\$5,689
3	Eliminate City Leadership Academy	-	\$3,000
4	Eliminate vacant Administrative Specialist position	(0.50)	\$43,713
5	Reduce Records Technician position to part-time	(0.50)	\$35,012
<b>Subtotal</b>		<b>(2.00)</b>	<b>\$205,244</b>
<b>DEPARTMENT: City Administrator &amp; Mayor &amp; Council</b>		<b>Employee Positions Affected</b>	<b>Net Cost Savings</b>
1	Eliminate vacant Executive Assistant to Mayor & Council position	(1.00)	\$73,207
2	New CalGRIP Grant revenue to fund gang prevention grant administration	-	\$27,271
3	New City TV revenue for Airline Terminal updates, capital improvement projects, and Water Resources information	-	\$19,862
4	Savings through Reorganization - eliminate vacant Administrative Services Director position	(1.00)	\$102,782



## Budget Adjustment Measures Included in Recommended Budget

Fiscal Year 2011

DEPARTMENT: City Administrator & Mayor & Council (continued)		Employee Positions Affected	Net Cost Savings
5	Charge 50% of Employee Relations Manager to Solid Waste Fund to manage Environmental Services Division	-	\$85,374
6	Reduce City TV hourly staff support by 50% and produce Inside Santa Barbara program quarterly	-	\$37,646
Subtotal		(2.00)	\$346,142
DEPARTMENT: City Attorney		Employee Positions Affected	Net Cost Savings
1	Eliminate Assistant City Attorney III position	(1.00)	\$214,411
2	Reduce Law Clerk position to part-time	(0.10)	\$9,001
Subtotal		(1.10)	\$223,412
DEPARTMENT: Community Development		Employee Positions Affected	Net Cost Savings
1	Reduce desktop workstations	-	\$10,970
2	Suspend Board & Commission meeting stipends	-	\$50,700





## Budget Adjustment Measures Included in Recommended Budget

Fiscal Year 2011

	<b>DEPARTMENT: Community Development (continued)</b>	<b>Employee Positions Affected</b>	<b>Net Cost Savings</b>
3	Raise Planning Fees by 10%	-	\$65,050
4	Raise Appeal Fees	-	\$0
5	Accept Public Works special assignment and charge staff time to Enterprise Fund	-	\$25,000
6	Support preparation of Housing Element through the Redevelopment Agency	-	\$50,000
7	New grant revenue to prepare Climate Action Plan	-	\$35,000
8	New grant revenue to administer Homeless Prevention and Rapid Rehousing Program	-	\$19,600
9	Contract services of Graphic Designer to other departments	-	\$12,541
10	Eliminate vacant Project Planner position in Long-Range Planning	(1.00)	\$2,194
11	Reduce Community Development Director position to part-time	-	\$48,387
12	Eliminate vacant Building Inspector Aide position	(1.00)	\$79,305
13	Eliminate vacant Office Specialist II position	(1.00)	\$51,209
14	Eliminate vacant Planning Technician II position	(1.00)	\$91,612



## Budget Adjustment Measures Included in Recommended Budget

Fiscal Year 2011

	<b>DEPARTMENT: Community Development (continued)</b>	<b>Employee Positions Affected</b>	<b>Net Cost Savings</b>
15	Charge half of Building Inspector position to Water Fund for Public Works projects	-	\$46,574
	<b>Subtotal</b>	<b>(4.00)</b>	<b>\$588,142</b>
	<b>DEPARTMENT: Finance</b>	<b>Employee Positions Affected</b>	<b>Net Cost Savings</b>
1	Increase Revenue Estimate for Utility Billing Late Fee - no increase in fee	-	\$75,000
2	Restore Utility Users Tax auditing contract and add funding for miscellaneous cost increases	-	(\$60,000)
3	Eliminate vacant Assistant Finance Director position	(0.50)	\$84,055
4	Move Utility/Warehouse Supervisor position to Water Resources Division and allocate General Services Manager to Meter Reading Program	-	\$23,116
	<b>Subtotal</b>	<b>(0.50)</b>	<b>\$122,171</b>
	<b>DEPARTMENT: Fire</b>	<b>Employee Positions Affected</b>	<b>Net Cost Savings</b>
1	Revenue from new non-resident fee to recover costs from vehicle accidents (charged to at-fault parties)	-	\$100,000
2	Utilize Redevelopment Agency funding to lease office space at 925 De La Vina	-	\$240,000



## Budget Adjustment Measures Included in Recommended Budget

Fiscal Year 2011

<b>DEPARTMENT: Fire (continued)</b>		<b>Employee Positions Affected</b>	<b>Net Cost Savings</b>
3	Reduce custodial service for Fire Administration Offices	-	\$40,948
4	Eliminate Fire Warehouse Specialist position	(1.00)	\$62,555
5	Eliminate two vacant Fire Captain positions (relief positions)	(2.00)	\$20,096
6	Eliminate vacant Training Captain position	(1.00)	\$163,784
<b>Subtotal</b>		<b>(4.00)</b>	<b>\$627,383</b>
<b>DEPARTMENT: Library</b>		<b>Employee Positions Affected</b>	<b>Net Cost Savings</b>
1	Eliminate Librarian II position in Youth Services Program	(1.00)	\$79,196
2	Close Central and Eastside Libraries on Mondays, eliminating Library Assistant I position, vacant, part-time Library Assistant II position and vacant Library Technician position	(2.80)	\$275,244
<b>Subtotal</b>		<b>(3.80)</b>	<b>\$354,440</b>
<b>DEPARTMENT: Parks &amp; Recreation</b>		<b>Employee Positions Affected</b>	<b>Net Cost Savings</b>
1	Delay replacement of rental equipment at park and recreation facilities	-	\$13,000
2	New revenue from beach and park concessions, etc.	-	\$48,100



## Budget Adjustment Measures Included in Recommended Budget

Fiscal Year 2011

	<b>DEPARTMENT: Parks &amp; Recreation (continued)</b>	<b>Employee Positions Affected</b>	<b>Net Cost Savings</b>
3	Reduce General Fund contribution to Downtown Organization contract to maintain State St. sidewalks and landscaping	-	\$31,000
4	Eliminate Recreation Program Leader position due to transfer of Junior High Afterschool Program to Police Activities League (PAL)	(0.80)	\$45,485
5	Eliminate vacant Teen Center Coordinator position and shift staff support of Teen Center to hourly staff	(0.80)	\$59,014
6	Eliminate vacant Grounds Maintenance Worker I position and continue closure of four park restrooms, and 50% reduction of Cabrillo Blvd. landscaping maintenance	(1.00)	\$63,579
7	Restructure and reduce Department Administration by eliminating vacant Business Manager position and Administrative Specialist position upon August 2010 retirement, using savings from Administrative Specialist on extended leave, and reducing Marketing Coordinator position to 50%	(2.30)	\$270,764
8	Combine two full-time positions into one position, reducing Pool Maintenance Technician and vacant Grounds Maintenance Worker I positions to 50% each	(0.80)	\$49,316
9	Transfer maintenance and operation of Teen Center to PAL	-	\$51,566



## Budget Adjustment Measures Included in Recommended Budget

Fiscal Year 2011

	<b>DEPARTMENT: Parks &amp; Recreation (continued)</b>	<b>Employee Positions Affected</b>	<b>Net Cost Savings</b>
10	Transfer Las Positas Tennis Facility to Elings Park Foundation	-	\$11,558
	<b>Subtotal</b>	<b>(5.70)</b>	<b>\$643,382</b>
	<b>DEPARTMENT: Police</b>	<b>Employee Positions Affected</b>	<b>Net Cost Savings</b>
1	Close Sobering Center	-	\$211,113
2	End Police Annex lease and move Police personnel back to main headquarters (savings for six months)	-	\$166,500
3	Eliminate document shredding service	-	\$3,398
4	Reduce vehicle fleet by 12 vehicles underutilized or scheduled for elimination	-	\$49,210
5	Delay replacement of 12 computers	-	\$25,000
6	Reduce overtime costs due to fewer overtime assignments in Patrol Division	-	\$17,186
7	Reduce hourly staff support	-	\$32,248
8	Reduce uniform allowance due to personnel vacancies	-	\$7,266
9	Reduce training costs	-	\$18,977
10	Eliminate vacant Crime Analyst position	(1.00)	\$78,102



## Budget Adjustment Measures Included in Recommended Budget

Fiscal Year 2011

DEPARTMENT: Police (continued)		Employee Positions Affected	Net Cost Savings
11	Eliminate vacant Administrative Specialist position	(1.00)	\$64,231
12	Eliminate vacant Office Specialist II position	(1.00)	\$57,141
13	Eliminate Police Records Manager position in October 2010	(1.00)	\$80,565
14	Eliminate seven vacant Police Officers (Entry Level)	(7.00)	\$599,190
Subtotal		(11.00)	\$1,410,127
DEPARTMENT: Public Works		Employee Positions Affected	Net Cost Savings
1	Increase revenue for more direct engineering services provided for capital projects in different departments	-	\$317,500
2	Transfer Project Engineer II position (1.0 FTE) and Project Planner position (.50 FTE) to Engineering Program and transfer Project Planner position (.50 FTE) to Downtown Parking	-	\$83,721
3	Eliminate vacant Project Engineer II position	(1.00)	\$100,935
4	Eliminate Administrative Assistant position	(1.00)	\$99,748
5	Reduce supplies and services in the Graffiti Abatement Program	-	\$79,524
Subtotal		(2.00)	\$681,428



## Budget Adjustment Measures Included in Recommended Budget

Fiscal Year 2011

DEPARTMENT: Internal Service Funds		Employee Positions Affected	Net Cost Savings
1	Eliminate vacant PC Network Technician II position in the Information Systems Program	(1.00)	\$74,244
2	Eliminate vacant Accounting Assistant position in the Public Works Facilities Maintenance Program	(1.00)	\$80,274
3	Eliminate two Project Engineer II positions in the Public Works Facilities Maintenance Program	(2.00)	\$246,675
4	Eliminate Automotive Equipment Technician position in the Public Works Motor Pool Program	(1.00)	\$58,768
Subtotal		(5.00)	\$459,961
Total		<u>(41.10)</u>	<u>\$5,661,832</u>

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# **Additional Budget Adjustment Options for Consideration**

**Fiscal Year 2011**

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## Additional Budget Adjustment Options for Consideration

Fiscal Year 2011

DEPARTMENT: Administrative Services				
		Employee Positions Affected	Net Cost Savings	Service Impact
1	Eliminate part-time Records Technician in City Clerk's Office (.50 FTE)	(0.50)	\$35,012	Delays in 1) Preparing Council Agenda packets and related documents, 2) Recruitment of City Advisory Group members, 3) Updating Municipal Code, 4) Processing contracts and agreements, and 5) Public records requests
Subtotal		(0.50)	\$35,012	
DEPARTMENT: City Administrator & Mayor & Council				
		Employee Positions Affected	Net Cost Savings	Service Impact
1	Eliminate Spanish Translation service for all City Council meetings	-	\$17,820	Spanish translation service will no longer be available for City Council meetings
2	Eliminate Closed Captioning service for all City Council meetings	-	\$21,630	Closed captioning service will no longer be available for City Council meetings
Subtotal		-	\$39,450	



## Additional Budget Adjustment Options for Consideration

Fiscal Year 2011

DEPARTMENT: City Attorney				
		Employee Positions Affected	Net Cost Savings	Service Impact
1	Eliminate Litigation Paralegal position and replace with creation of Legal Secretary II position	-	\$3,046	No impact anticipated
2	Reduce two Legal Secretary II positions to part-time (.80 FTE)	(0.40)	\$34,774	Less clerical support available for attorneys.
3	Reduce supplies and services	-	\$1,074	No impact anticipated
	<b>Subtotal</b>	<b>(0.40)</b>	<b>\$38,894</b>	
DEPARTMENT: Community Development				
		Employee Positions Affected	Net Cost Savings	Service Impact
1	Eliminate Project Planner position	(1.00)	\$115,404	Reduction in staff support to Long Range Planning and loss of professional expertise in California Environmental Quality Act (CEQA), possibly resulting in more challenges to environmental documents, and delays to special assignments to update ordinances and guidelines



## Additional Budget Adjustment Options for Consideration

Fiscal Year 2011

DEPARTMENT: Community Development (continued)				
		Employee Positions Affected	Net Cost Savings	Service Impact
2	Reduce Planning Administrative Supervisor position to 70% (30% billed to Housing and Redevelopment)	-	\$28,810	Clerical coordination will be shared across divisions
3	Eliminate Planning Technician I position	(1.00)	\$95,579	Delays in review of proposed development projects, increasing challenge to meet statutory permit streamlining timelines, and slower counter customer service and response to Council or public inquiries
4	Eliminate Records Technician position	(1.00)	\$72,218	Reduced scanning of permits and plans, filing of archive documents and internal retrieval of street files
	<b>Subtotal</b>	<b>(3.00)</b>	<b>\$312,011</b>	



## Additional Budget Adjustment Options for Consideration

Fiscal Year 2011

DEPARTMENT: Finance				
		Employee Positions Affected	Net Cost Savings	Service Impact
1	Eliminate Administrative Specialist position in Purchasing Division	(1.00)	\$66,971	Delays in processing routine requisitions under \$2,500 (five additional days), quick quotes (five to seven additional days), formal requisitions (seven to ten additional days)
2	Eliminate Mail Courier Services Specialist position	(1.00)	\$61,290	Many mail services would be cancelled and departments would coordinate their own mail pick-up & drop off; Central warehouse hours would be reduced to half-days and delivery service would be reduced to 1 day per week or eliminated
	<b>Subtotal</b>	<b>(2.00)</b>	<b>\$128,261</b>	
DEPARTMENT: Fire				
		Employee Positions Affected	Net Cost Savings	Service Impact
1	Transfer cost of custodial services for Administration Offices to Redevelopment Agency, while located at De La Vina lease site	-	\$10,000	No impact anticipated



## Additional Budget Adjustment Options for Consideration

Fiscal Year 2011

DEPARTMENT: Fire (continued)				
		Employee Positions Affected	Net Cost Savings	Service Impact
2	Reduce Information Services staffing for Fire personnel to .20 FTE	-	\$23,140	Delayed implementation of information systems projects
3	Extend life of Fire Engines from 15 to 17 years	-	\$30,000	Possible increase of vehicle maintenance costs
4	Reduce overtime for minimum on-duty first responder staffing	-	\$782,861	Would result in: 1) Extended response time for first responders to all risk emergencies, 2) Reduced capacity to respond to multiple simultaneous emergencies or major emergencies, and 3) Decreased ability to provide aid to surrounding jurisdictions
5	Eliminate Fire Inspector I position	(1.00)	\$125,064	Would result in: 1) Increased fire inspection workload for remaining Inspectors; 2) Less enforcement of defensible space requirements; 3) Delays to adopt mandated Fire Code regulations
	<b>Subtotal</b>	<b>(1.00)</b>	<b>\$971,065</b>	



## Additional Budget Adjustment Options for Consideration

Fiscal Year 2011

DEPARTMENT: Library				
		Employee Positions Affected	Net Cost Savings	Service Impact
1	Eliminate vacant Senior Library Technician position in Support Services	(1.00)	\$66,730	Less oversight of purchasing, cataloging and processing of library materials
2	Close Central Library on Sundays	-	\$31,289	Will result in more limited access to Library collections, professional expertise and public computers, primarily impacting families who use the library on Sundays
3	Reduce library materials acquisition budget by approximately 2,200 items	-	\$47,947	Fewer items purchased for collections, resulting in longer waiting lists (150+) for popular items and increased workload to borrow items not owned from other libraries
4	Reduce library materials acquisition budget by approximately 1,450 items	-	\$32,084	Fewer items purchased for collections, resulting in longer waiting lists for popular items and increased staff workload to borrow items not owned from other libraries
Subtotal		(1.00)	\$178,050	





## Additional Budget Adjustment Options for Consideration

Fiscal Year 2011

DEPARTMENT: Parks & Recreation				
		Employee Positions Affected	Net Cost Savings	Service Impact
1	Lease Ortega Welcome House to non-profit organizations, similar to community centers	-	\$ 4,475	Facility would no longer be available for private party rentals; More services available to Eastside community
2	Close Oak Park Wading Pool	-	\$ 10,005	Would result in all (2) City wading pools not operating this summer, impacting 7,600 youth and their families who visit each summer
3	Restructure and reduce Neighborhood and Outreach Services (NOS) positions and eliminate NOS Supervisor position	(1.00)	\$108,272	Reduced outreach and teen services to the Lower Westside community and fewer teen leadership activities
4	Weekday and seasonal closure of Hilda Ray, Franceschi, and Skofield Parks and eliminate one Grounds Maintenance Worker I position	(1.00)	\$ 58,039	Hilda Ray and Franceschi Parks would be closed on weekdays; Skofield Park would close seven days/week from Labor Day to Memorial Day based on seasonal use; Basic maintenance, including mowing and vegetative fuels management would continue



## Additional Budget Adjustment Options for Consideration

Fiscal Year 2011

DEPARTMENT: Parks & Recreation (continued)				
		Employee Positions Affected	Net Cost Savings	Service Impact
5	Restructure and reduce Parks Operations Management and downgrade 1 of 3 Parks Supervisor positions to Lead Worker	-	\$ -	Would increase field resources for park maintenance but increase workload for two remaining Parks supervisors and management, delaying work efforts and special projects
6	Restructure and reduce coordination of parks and facilities rental services and eliminate Recreation Specialist position	(0.80)	\$44,731	Would delay processing of applications for facility rentals and film/photo permits and shift some responsibilities to the Arts & Crafts Show Advisory Committee
7	Reduce tennis services to daytime drop-in play only, or transfer operation of tennis facilities and programs to a non-profit; eliminate Tennis Services Coordinator position (.80 FTE), effective September 2010	(0.80)	\$85,903	Would affect public tennis offered at Municipal and Pershing Park tennis facilities, impacting more than 9,000 youth and adults who participate in City tennis programs annually
	<b>Subtotal</b>	<b>(3.60)</b>	<b>\$311,425</b>	



## Additional Budget Adjustment Options for Consideration

Fiscal Year 2011

DEPARTMENT: Police				
		Employee Positions Affected	Net Cost Savings	Service Impact
1	Eliminate Police Activities League (PAL) Officer position	(1.00)	\$114,170	Less police officer involvement in PAL program
2	Eliminate Drug Abuse Resistance Education (DARE) Officer position	(1.00)	\$114,170	DARE program would be eliminated
3	Eliminate Beat Coordinator position	(1.00)	\$114,170	Beat Coordinator Program would be eliminated and Patrol Officers would assume fewer Community Policing Projects
4	Eliminate Beat Coordinator position	(1.00)	\$114,170	Beat Coordinator Program would be eliminated and Patrol Officers would assume a fewer Community Policing Projects
5	Eliminate Detective - Polygrapher position	(1.00)	\$114,164	Would require contracting with private vendor to provide polygraphy services
6	Eliminate Cold Case Detective position	(1.00)	\$115,101	Would distribute investigations for historical homicides to existing detective staff and reduce capability to thoroughly review obscure leads
<b>Subtotal</b>		<b>(6.00)</b>	<b>\$685,945</b>	
<b>Total</b>		<b><u>(17.50)</u></b>	<b><u>\$2,700,113</u></b>	

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